

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF
THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN
OF THE CITY OF MIAMI BEACH
May 10, 2011

Chairman Boyd called the meeting to order at 10:00 a.m.

Board Members present were as follows:

James Boyd	Jose Cruz	Hilda Fernandez
Jorge Gomez	Warren Green	Reinaldo Horday
Richard McKinnon	Patricia Walker	Jonathan Sinkes

Members absent -

Also present were:

Alison Bieler	Legal Counsel
Rick Rivera	Pension Administrator
Robert Martinez	Assistant Pension Administrator
Steve Palmquist	Fund Actuary, GRS
Melissa Algayer	Assistant Fund Actuary, GRS
Ramiro Inguanzo	Human Resources Director
Kathie Brooks	Budget Director
Paul Yavis	Citizen
Carla Gomez	Labor Relations Specialist
Dave Crystal	Citizen, Mayoral candidate

The Administrator requested an addendum for Item C-12, Requests for Payments, for medical board expenses to Dr. Andrew Kovacs for the amount of \$1,150 and investment expenses to Wentworth Hauser Violich (WHV) for the amount of \$95,964.

A motion was made by Mr. Sinkes duly seconded by Mr. McKinnon, and unanimously

RESOLVED	That Item C-12, Requests for Payments, for Dr. Kovacs in the amount of \$1,150 and for WHV in the amount of \$95,964 be added to the Consent Agenda.
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A discussion ensued regarding the amount and breakdown of the request for payment for Dr. Kovacs. The Administrator said that he would provide greater detail and breakdown for this bill at next month's meeting.

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A motion was made by Mr. Gomez duly seconded by Mr. Sinkes, and unanimously

RESOLVED That the Consent Agenda be approved as amended except Item C-12, request for Payment, to Dr. Kovacs in the amount of \$1,150.

CONSENT AGENDA

C-1 The Minutes of the April 12, 2011 board meeting were approved as amended.

C-2 New Members were approved as follows -

<u>NEW MEMBERS</u>				
<u>NAME</u>	<u>ID #</u>	<u>CLASSIFICATION</u>	<u>Union</u>	<u>HIRE</u>
Laura Aker	19770	SR M & B Analyst	UNCL	4/5/2011
Stephanie Campaniony	19501	Office Associate V	UNCL	4/18/2011
Jessica Hernandez	19775	Financial Analyst	UNCL	4/11/2011
Dessiree Kane	19781	Office Associate V	UNCL	4/18/2011
Ginette Luxama	19776	Financial Analyst	UNCL	4/11/2011
Lisa Merced	19783	E-Gov't Admin	UNCL	5/2/2011

C-3 New Retiree Allowances were approved as follows -

<u>Name</u>	<u>Date</u>	<u>Retirement Type</u>	<u>Monthly Amount</u>
Jimmy Thornton	5/01/2011	Ordinary Retirement &	\$1,295.00
	5/01/2011	Partial Lump Sum (PLOP) 6.9%	\$12,224.75

C-4 New Pensioner Allowances were approved as follows -

<u>Name</u>	<u>Date of Retirement</u>	<u>Ret. Type</u>	<u>Dependent upon</u>	<u>Amount</u>
Angelina Serbia	04/01/2011	Dependent 50%	Jose Serbia	\$1,378.71
Sergot Gestine	05/01/2011	Dependent 50%	Maggie Cesar	\$1,414.63

C-5 Requests for Lump Sum Refunds were approved as follows -

<u>Name</u>	<u>Separation Date</u>	<u>Amount</u>	<u>Reason</u>
Sonia Valladares	01/16/2004	\$5,550.22	Resignation
Olga Serrano	03/04/2011	\$15,987.46	Resignation

C-6 Request for Accumulated Contribution Refund for a Named Beneficiary was approved as follows - (None)

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C-7 Purchases of Creditable Service Time were approved as follows-

<u>Purchases of Creditable Service Time</u>					
<u>NAME</u>	<u>DATE</u>	<u>YEAR PURCHASED</u>	<u>HOURS USED</u>	<u>CASH USED</u>	<u>LEAVE AMOUNT</u>
Michael Schad	4/15/2011	0.51	101.15	\$ -	\$ 4,158.78
Rozelanne Cadet	4/20/2011	0.50	92.24	\$ -	\$ 1,226.72
Jimmy Thornton	4/18/2011	0.68	0	\$2,419.48	

C-8 Request for up to Two (2) years of additional creditable service were approved as follows -

2 Year Buyback Applications

<u>Employee Name</u>	<u>Sworn Statement</u>	<u>Prior Private Sector</u>	<u>Prior Gov't</u>	<u>Prior Military</u>	<u>Application Resume or Add'nl back-up</u>	<u>Creditable Service Applying for</u>
Ivan Torres	X	X			X	2.0
Steven Mills	X			X	X	2.0
Paulette K. Rolle	X		X		X	2.0
Daniel Nunez	X	X			X	2.0
Ramon Martinez	X	X			X	2.0
Otilio Morales	X	X			X	2.0
Keith Valles	X			X	X	2.0
Marie-France Andre	X	X			X	2.0
Jimmy Thorton	X	X			X	2.0
Darlene H. Lewis	X	X			X	2.0

C-9 DROP applicants were approved as follows -

NEW DROP PARTICIPANTS

	<u>Effective</u>	<u>Estimated Monthly Benefit</u>	<u>Maximum Last DROP Date</u>
Raul Jorge	6/1/2011	\$ 3,843.75	5/1/2014
Harry Peters	6/1/2011	\$ 1,150.00	5/1/2014

C-10 Lump Sum Refunds Paid since the last meeting were approved as follows -

<u>Name</u>	<u>Date of Check</u>	<u>Voucher</u>	<u>Lump Sums Paid Check Amount</u>	<u>IRS Tax Payment</u>	<u>Tax Payment Date</u>
FBO Michael Aller	4/1/2011	112536	\$ 100,000.00	IRA Rollover	NA
Andrea Agha	4/15/2011	112584	\$ 10,021.23	\$ 2,505.31	\$ 12,526.54
Arlene Melendez	4/15/2011	112581	\$ 4,971.42	\$ 994.28	\$ 4,971.42
Rebeca Munoz	4/15/2011	112580	\$ 12,514.72	\$ 3,128.68	\$ 15,643.40

C-11 The Financial Reports were approved as presented.

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C-12 Requests for Payment

ADMINISTRATIVE EXPENSES

Legal

Steve Cypen- Legal Services

Legal services rendered for the month of May \$ 5,000.00

Bookkeeping

Joan Wall- Bookkeeping

services rendered for the month of May 2011 \$ 350.00

Actuary Fee

GRS- Actuary Fees

services rendered through 3/31/11 Per Inv.# 114723 \$ 6,968.00

Medical Board

Stephen Resnick, MD- Medical Exam

Medical Exam for disability applicant Eddy Castera \$ 950.00

Insurance

Advance Insurance- Fiduciary Liability Insurance

Renewal 5/15/11-5/15/12 \$ 42,553.09

Conv/Seminars/Dues/Etc

NCPERS- Conf. & Edu.

Annual Conf. registration fee for Hilda Fernandez \$ 750.00

Administrative Pay & PR Taxes

Office Payroll and Payroll taxes

\$ 28,254.14

Office, etc.

Copier - Sharp Lease

Monthly copier fees per inv.# 175878727 \$ 228.56

Office Maintenance - Property Management Fees, CMB

For the month of March 2011 Per Inv.# 0022651 \$ 1,452.81

Printing & Postage - CMB Central Services

For the month of March, April 2011 Per Inv.# 00022481 \$ 7,655.98

Office Supplies - Office Depot

Per inv.# 558376306001, Per Inv. # 562014323001 \$ 122.24

Misc. Board Expense - Rick Rivera

Board supplies \$ 10.26

Misc. Board Expense - Robert Martinez

Board supplies \$ 13.99

INVESTMENT EXPENSES

Money Manager Fees

Rhumblin- Investment Management Fees

1st Qtr. Per Inv.# gmbeach2011Q1 \$ 16,033.00

Rhumblin - Investment Management Fees

1st Qtr. Per Inv.# mbgadr2011Q1 \$ 4,435.00

ICC Capital Management- Investment Management Fees

2nd Qtr. Per inv.# 57531203 \$ 46,474.65

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Wentworth, Hauser & Violich - Investment Management Fees

1st Qtr. Per. Invoice dated 5/4/11	\$	95,964.00
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Custody

Fiduciary Trust- Custodian

Per inv.# S14800106737,S14800106742, S14800106736	\$	8,603.69
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REGULAR AGENDA

R-1 Deferred Items -

- A. GRS Presentation of 10/01/10 Valuation by Steve Palmquist
- Mr. Palmquist went over the ten year experience study covering the period October 1, 2000 - September 30, 2010. He went over the summary of recommendations from the experience study that included changing the assumption of salary increases, revise probabilities of normal retirement and change the mortality table from the 1983 group annuity to the RP-2000 generational mortality table.

The Board reviewed the estimated cost or savings associated with these recommendations summarized on page 4 of the Study. A discussion ensued regarding which recommendation to accept. Mr. Palmquist stated that he recommended accepting all the changes to the Actuarial Assumptions described in the report except that the RP-2000 mortality rates only include mortality improvements through 2010. He said this would cause an increase in contributions of approximately \$187,000 from the current base of \$17,395,718.

Mr. Palmquist also recommended the combined effect of recommendations using level percentage of payroll funding of the UAL. He said that this would result in lowering the employer contribution by approximately \$850,000 from the current base. A discussion ensued regarding which recommendation to adopt. Mr. Palmquist said that, if approved, the recommendations of the Experience Study would be applied to the October 1, 2010 Actuarial Valuation.

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A motion was made by Mr. McKinnon duly seconded by Mr. Sinkes, to accept the Combined Effect of Recommendations Except that RP-2000 Mortality Rates only Include Mortality Improvements through 2010, and with Mr. McKinnon, Mr. Sinkes, Mr. Green, Mr. Horday and Chairman Boyd in favor and Mr. Cruz, Ms. Walker, Ms. Fernandez and Mr. Gomez against, It was

RESOLVED That all the recommendations of the Ten year Experience Study be approved as presented except that RP-2000 Mortality Rates only include mortality improvements through 2010.

B. Review of Vendors - There was no action taken on this item.

R-2 New Items -

A. Annual Board appointment of Chairman, Vice Chairman and Secretary - The Administrator was reminded that this item was completed at last month's board meeting when all incumbents were re-affirmed at their existing positions. This is reflected in the digital recording of last month's meeting. At last month's meeting Mr. McKinnon made a motion to keep all officer position's the same. This motion was seconded by Mr. Horday and unanimously approved.

B. Ten (10) year Experience Study, presented by GRS - This item was discussed in Item R-1(A).

R-3 Other Business

A. Administrator's Report - The Administrator stated that all information had been discussed under new items.

R-4 Quarterly Investment Reports

A. Bill Cottle, Milliman Inc. - Mr. Cottle reviewed his quarterly performance report for the quarter ending March 31, 2011. He said that the Fund had a a total market value of \$428,485,376 as of March 31, 2011, which represented an increase of approximately \$12.9 million from the December 31, 2010 market value of \$415,599,109. Mr. Cottle reviewed the actual asset allocation, investment manager performance and total fund risk/reward versus the Universe from Milliman's quarterly report.

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- B. Fixed Income Manager presentations - Mr. Zander Grant, from Wellington Management, reviewed Wellington's investment performance per the quarterly report.

R-5 For Your Information

Chairman Boyd and Ms. Bieler reviewed For Your Information.

There being no further business to discuss, a motion was made by Mr. McKinnon duly seconded by Mr. Horday and unanimously

RESOLVED That the meeting be adjourned. The meeting was adjourned at 12:10 p.m.

James Boyd, Chairman

Hilda Fernandez, Secretary